



Stryker Modernization Program Competition Strategy

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S-Mod Competition Plan at the LRU or Subsystem Level

- **The plan is that the Government will conduct the system or subsystem competitions if GDLS was going to compete for the LRU or Subsystem.**
- **The Weapon Systems Acquisition Reform Act (P.L. 111-23, May 22, 2009) reforms the DoD acquisition process for major defense acquisition programs:**
 - **Addresses potential Organizational Conflicts of Interest (OCI) for major defense acquisition programs if Prime Contractors (in the case of Stryker: GDLS)**
 - **Has simultaneous ownership of business units performing system engineering or professional services and/or businesses competing to perform as a supplier of a major subsystem**
 - **Ownership or affiliates doing software integration or software system-architecture development,**
 - **Or other to business units or affiliates of the same parent corporation competing for S-Mod requirements**
- **PMO Strategy further reviewed and scrutinized the direction to assure compliance with the Weapons System Acquisition Reform Act and emphasize elimination of OCI issues**



Organizational Conflicts of Interest

- **The primary message of this briefing:**
 - **The Government will conduct the competition when GDLS or other GDLS business units or affiliates of General Dynamics want to compete for S-Mod subsystem and LRU requirements .**
 - **GDLS will not competitively evaluate GDLS, or any General Dynamics affiliates.**
 - **When the Government runs the competition, it will select the best value solutions and require GDLS to integrate on the Stryker platform**
 - ▲ **Interface Control Data (ICD) will be established as required.**
 - ▲ **If proprietary data is required, the proprietary data will be protected through appropriate mechanism to include Non-Disclosure Agreements**



Organizational Conflict of Interest

- **Unequal Access to SMOD Information will be precluded**
- **GDLS will not prepare the scopes of work or specifications if they plan to compete for subsystems or an LRU requirements**
- **Key data will be provided and Government will develop SOW and specifications for Government run competitions**
 - **Proprietary information of other companies will be protected through Proprietary Data Agreements with the Contractor.**
 - **Firewalls are not anticipated, if a special case is identified the Government will direct, review and approve the mitigation**
 - **In those cases, Contractor personnel**
 - **Will be subject to mitigation requirements identified**
 - **Will be prohibited from participation in the preparation of any proposal response from GDLS, its subsidiaries or business units.**
- **Like all other competitors GDLS will be submitted questions and issues with the SOW/specifications for USG evaluations**



Organizational Conflicts of Interest

- **GDLS is required to submit an S-Mod Competition Plan (will assure compliance with FAR 9.5)**
- **The GDLS Competition Plan will be evaluated and approved by the USG**
- **GDLS Competition Plan will address mandated elements:**
 - **Preparation of Scopes of Work**
 - **Preparation of Specifications**
 - **Systems Engineering and Technical Support**
 - **Access to Proprietary Information**
 - **GDLS, Business Units or affiliates plans to compete and for what program elements**
- **Based on the GDLS approved plans, the Government will address SOW & Specification development and Source Selection Plan for S-MOD.**



Organizational Conflicts of Interest

- **Preventing Biased Ground Rules:**
 - **Preparation of Statements of Work – Government will flow down requirements even when GDLS is not competing and conducting S-Mod competitions**
 - **Contractor will conduct the competitions unless**
 - **Contractor, its subsidiaries, its business units or subsidiaries or business units of its Parent Corporation will compete for the SOW, in which case the Government will conduct the competition and prepare the SOW.**



Avoiding Organizational Conflicts of Interest

■ Specification Preparation

- The Contractor will prepare all SMOD specifications, unless GDLS plans to compete for LRU or S-Mod subsystem.
- In those cases, the Government will prepare and provide the specification .
 - ▲ Critical interface data or system engineering information may have to be provided by GDLS for the Government to prepare the specifications.
 - ▲ Independent Government technical groups (TARDEC, ARL, etc) will be used to evaluate the data and/or prepare the Specification.



Avoiding Organizational Conflicts of Interest

- **To prevent situation of ‘Impaired Objectivity’**
 - **Competitions requiring evaluation of subsidiaries or business units of GDLS:**
 - ▲ **The Government will conduct the competition;**
 - ▲ **Unless the Government agrees to the GDLS establishing safeguards that eliminate unfair competitive advantages and ensure the integrity and objectivity of the competition.**



Organizational Conflicts of Interest Summary

- **USG will continue to monitor and comply with the Weapon Systems Reform Act**
- **The USG will conduct the competition when GDLS (or GDLS business units or affiliates of General Dynamics) want to compete for S-Mod subsystem and LRU requirements**
- **There will be a follow up Industry Day for the SMOD Program in the second quarter of FY10**